GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:98
ANSWERED ON:10.08.2007
MISUSE OF BENEFITS EXTENDED TO SSIs
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

(a) Whether the Directorate General of Central Excise Intelligence (DGCEI) has cautioned the Union Government about sweeping misuse of Small Scale Industries (SSIs) scheme in the country;

(b) if so, the number of raids conducted by DGCEI all over the country during the current year and No. of SSIs found to be involved in misusing the benefits of SSI;

(c) the total loss suffered by Government on account of exemption of excise duty to SSI during each of the last three years; and

(d) the steps taken by the Union Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) No, Sir.

(b) DGCEI have conducted 14 raids on SSI Units all over the country during the current year and17 SSI Units were found to be involved in misusing the benefits of SSI scheme.

(c) The information in this regard is not maintained. However, the Receipt Budget for the year,2006-07, mentions the figure of duty foregone in 2004-05 as Rs. 11, 316 crore, based on a study conducted by the National Institute of Public Finance & Policy.

(d) Filing of Declaration by SSI units once the turnover crosses Rs. 90 Lakh has been made mandatory. Further, field formations have also been alerted to remain vigilant.